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1MDB raps Dr M over Edra claim

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SALE: RM17b debt reduction with purchase by CGN, says Arul Kanda

KUALA LUMPUR

1 MALAYSIA Development Bhd (1MDB) has rebutted allegations made by former prime minister Tun Dr Mahathir Mohamad on the sale of its power unit, Edra Global Energy Bhd.

The strategic development company said it regretted Dr Mahathir's persistence in issuing misleading and wrong statements against 1MDB, which was then reported in an irresponsible manner, without analysis or journalistic enquiry by certain online media portals.

In a statement yesterday, it said the sale of the power unit to China

General Nuclear Power Corp (CGN Group) based on Edra's financial statements dated March 31, will see 1MDB receiving RM9.83 billion for its equity.

CGN Group will also take over the debt in Edra operating assets of RM7.43 billion.

"Accordingly, through cash receipts and debt transfer, 1MDB will achieve a debt reduction of up to RM17 billion, which is well within the anticipated RM16 billion to RM18 billion range per the rationalisation plan."

1MDB said its president and group executive director Arul Kanda Kandasamy had clearly explained these facts, which were reported in the media last week.

"It is important to clarify that the

up to RM17 billion debt reduction exercise is over and above the approximation. The RM2 billion cash is from dividends 1MDB received over

time from the power assets during its ownership."

Accordingly, 1MDB has essentially "broke even" on its investment through an international tender process.

"If Dr Mahathir had taken the trouble to review Note 29 (v) of 1MDB's March 31, 2014 publicly available au-

dated financial statements, he would have realised that of the RM42 billion debt, RM19.82 billion is denominated in ringgit and RM22 billion is in US dollars. Accordingly, there is more than enough RM-denominated debt to be settled from the RM9.83 billion Edra sale cash proceeds."

RM2 billion cash is from dividends 1MDB received from the power assets during its ownership.

Arul Kanda Kandasamy
1MDB president and group executive director